



Bulk Wood Pellet & Dried-Chip Supply Infrastructure Grants

REQUEST FOR LETTERS OF INTENT

Due by: Friday, November 1, 2019

October 4, 2019

INTRODUCTION

The Clean Energy Development Fund (CEDF) invites businesses and organizations to submit a Letter of Intent (LOI) to apply for a CEDF grant in support of bulk wood pellet and/or dried chip¹ supply and/or delivery infrastructure projects located in Vermont.

The CEDF intends to support, through competitively awarded grants, infrastructure investments to improve the availability of bulk wood pellets and dried chips (preferably those manufactured and/or sold by Vermont companies) to Vermont customers.

Eligible projects include: new wood pellet mills, expansion/improvements of existing pellet mills, new dried chip fabrication and/or chip drying facilities, bulk pellet or chip delivery trucks, bulk delivery depots/silos, or other projects that will expand the amount of pellets and/or dried chips available for bulk delivery to Vermont customers, and/or projects deemed to support the bulk wood pellet and dried chip markets in Vermont.

Non-eligible projects include heating systems that only use dried chips or pellets, such as the purchase/installation of a boiler/furnace for space or water heating. CEDF and Efficiency Vermont offer customer incentives for wood heating systems (and wood/pellet stoves) see:

www.erc-vt.org

The investment of CEDF funds in support of the bulk pellet and dried chip market represents a significant step toward meeting CEDF's goals including:

¹ Dried chips, also referred to as "semi-dry chips", are wood chips that have dried (either passively or actively) to a moisture content of less than 30%

- Increased renewable thermal energy production
- Increased economic development through:
 - Local renewable fuel procurement
 - Increased retention of energy dollars within the state
 - Installation and service of advanced wood heating systems
 - Local manufacturing of heating system components, dried chips, and pellets
 - Support of forest products industry
 - Support of the working landscape
- Increased energy cost savings for Vermonters
- Decreased environmental impact of heating

Wood pellet and dried chip supply infrastructure projects supported with CEDF grants shall be developed in coordination with relevant wood heating programs supported by the State (for example: the Windham Wood Heat Initiative (if in Windham County), and the State Wood Energy Team).

Support for the bulk pellet and dried chip supply market shall support the four components of CEDF's definition of advanced wood heating: 1) uses highly efficient combustion technology, 2) emits low levels of particulates and other pollution, 3) supports healthy forest ecosystems, and 4) produced using local wood.

GRANT PROGRAM TIMELINE

- Letter of Intent Submission Deadline: Friday **November 1, 2019**
- Invitation(s) to Submit a Grant Proposal Distributed: **November 18, 2019** (*or earlier*)
- Grant Proposal Submission Deadline: Monday, **January 6, 2020**
- Award Notification: End of **January, 2020**
- A Final Report shall be due within 60 days of the project's completion

A Letter of Intent (LOI) is the first step in this process and is required of all potential grant applicants. Letters of Intent are screened by the CEDF staff to determine eligibility, after which select applicants will be invited to submit a grant proposal. The Proposal guidelines will be distributed at that time to those invited to apply for a grant. ***Please note: Receipt of an invitation to submit a grant proposal does not infer, confer, or guarantee receiving a grant or funding for a project.***

GRANT PROGRAM DESCRIPTION

Eligible Applicants:	Businesses & Organizations (including non-profits)
Eligible Projects:	Vermont infrastructure development in support of the bulk delivery and/or fabrication of wood pellets and/or dried wood chips.
Funding Type and Source:	Grants. State CEDF Funds.

Total Amount available:	\$350,000
<u>Maximum Grant:</u>	<u>\$250,000</u>
<u>Minimum Grant:</u>	<u>\$15,000</u>
Awardee Cost Share Required:	At least 60% of the project's total cost (CEDF's grant cannot cover more than 40% of the total project cost). Letters of Intent describing projects with greater amounts of awardee cost share will be more likely to be invited to submit a grant proposal.

INFORMATION REQUIRED FROM APPLICANTS

Applicants must submit Letters of Intent (LOI) as described below. The LOI should be prepared simply and economically, providing a straightforward, concise description of the applicant's proposed project. The LOI should not be longer than three pages, including CEDF's Project Description Sheet. Colored displays, promotional materials, and so forth are not desired. Emphasis should be on clarity of content.

To be considered complete a LOI must include the following two items: The CEDF issued Project Description Sheet and a Cover Letter. These two items are described below.

I. Project Description Sheet

Applicants must complete the Project Description Sheet (an example is included as Appendix A) in an Excel (or readable by Excel) format as part of the LOI. The Project Description Sheet is available as a separate document at www.publicservice.vermont.gov/content/funding-opportunities-projects or can be obtained from the CEDF grant administrator (andrew.perchlik@vermont.gov). The following section explains the information required for each question on the Project Description Sheet:

1. Project Title

Provide a descriptive title for the project.

2. Identification of Applicant

State the full name, email, and physical address of applicant. List the principle contact person and contact information. This person should also be listed as an Authorized Negotiator below.

3. Applicant's Related Experience

Provide a short paragraph describing the Applicant's (and any other principal parties') related experience.

4. Identification of Subcontractors and/or Partners

If applicable and known, list any subcontractors and/or partnering firms/organizations that will perform, or assist in performing, the work; include contact information.

5. Authorized Negotiator(s)

Include the name, phone number, and email address for individuals authorized to respond to any and all questions regarding the submitted LOI. The Project Description Sheet must be signed by a duly authorized representative of the applicant (or applicants) submitting the LOI.

6. Location of Proposed Project(s)

Include physical address (AKA the 911 address), town, and county of the project. If the project is not limited to one physical location list the other locations and/or areas of the state to be served by the project.

7. Project Description

Provide a short paragraph describing the essential elements of the proposed project; including how it will increase the accessibility, availability, and/or lower the cost of, bulk delivered wood pellets and/or dried chips to customers in Vermont.

7. A&B: List any work or purchases that have been made to date regarding the project and any other funding (including \$ amount) secured for the project.

8. Expected Project Dates

Provide an estimated date for the start and completion of the proposed project.

9. Total Project Costs

Include the estimated total project costs for the proposed project. Only costs directly connected to bulk pellet and/or dried chip infrastructure should be included.

10. CEDF Funds Requested

Applicants must specify the amount of funds they are requesting from the CEDF to be applied toward their proposed project.

11. Signature:

Sign the form to indicate it has been read and the applicant acknowledges, to the best of her/his knowledge the information supplied is accurate.

II. Cover Letter

The cover letter should provide a brief description of the project and applicant(s), and the grant \$ amount needed. State why the proposed project is necessary or desired, and why a grant award from the CEDF is needed. Describe what would happen with the project if a grant proposal is not requested by the CEDF. The Cover Letter should include a short

statement of the project's goals, objectives, benefits and risks. The Cover letter shall not be over two pages in length.

EVALUATION CRITERIA

All LOI submitted will be evaluated by staff at the CEDF, Public Service Department (PSD), and the Department of Forest, Parks, and Recreation, and any other reviewers the PSD deems necessary. The CEDF reserves the right to request additional information from respondents before inviting grant proposals.

All LOIs submitted will be evaluated based upon how well the proposed project would meet the purpose of this request, the goals of the CEDF, qualifications and relevant experience of the individuals/firms involved, reasonableness of cost, grant request amount related to total project cost, and any other criteria deemed relevant by the PSD. At the sole discretion of the PSD invitations to submit a grant proposal could be issued to all or none of the entities that submit a LOI.

Any eventual grantees will be subjected to transparency and reporting requirements including, but not limited to: financial and performance reporting, project and budget tracking, site visits, documentation of incurred costs, proof of insurance, and access to records.

Cost share is required. Any grants issued will require cost share of at least 60% of the total eligible project costs, and more than 60% cost share is encouraged. The amount of requested CEDF funds as a percentage (%) of the total project cost will be taken into account as part of the LOI review.

SUBMITTING A LETTER OF INTENT

Any questions regarding this Request should be submitted in writing, preferably by email, with the subject line, "Bulk Pellet & Dried Chips Supply LOI - Question." Questions are due by 4 p.m. on Friday October 18, 2019 and will be answered in a comprehensive Q&A document that will be posted at the CEDF web site alongside this Request by October 23, 2019.

LOIs must arrive by email or be delivered to the Public Service Department (PSD) office by 4:00 P.M. on Monday, November 1st, 2019. The LOI can be submitted electronically but must be signed. If mailing a hard copy of an LOI please allow adequate time to ensure receipt of their proposal(s) by the deadline. LOIs received after the application deadline will not be considered.

For an LOI to be accepted it must include a Cover Letter and a completed Project Description Sheet as described above.

This request and all the required components of a LOI are posted on the CEDF website or can also be acquired by contacting the CEDF. Electronic copies of a submitted LOI should be emailed to:

Andrew Perchlik
CEDF Director
C/o Vermont Public Service Department
112 State Street
Montpelier, VT 05620-2601
Phone: (802) 828-4017
Email: andrew.perchlik@vermont.gov

CEDF BACKGROUND

In 2005, the Vermont General Assembly established the CEDF through Act 74 (30 V.S.A. § 8015). The Act specifies the CEDF scope of work and authorities. 30 V.S.A. § 8015 (c) states the purpose of the CEDF as follows: “The purposes of the fund shall be to promote the development and deployment of cost-effective and environmentally sustainable electric power and thermal energy or geothermal resources for the long-term benefit of Vermont consumers, primarily with respect to renewable energy resources, and the use of combined heat and power technologies.”

Programmatic activities and associated funding are developed by the CEDF staff in conjunction with an appointed CED Board, which oversees development and approval of the CEDF strategic plan, annual plan, and annual budget. Additional information on the CEDF is available on the PSD website at: http://publicservice.vermont.gov/topics/renewable_energy/cedf

Potential Grantees should be aware that CEDF grant awards can be considered taxable income. Grant recipients shall be responsible for all individual tax obligations under federal, state, and local laws.

APPENDIX A – Example PROJECT DESCRIPTION SHEET
Don't use the form below, LOI's must include an Excel compatible version of this form.

Vermont Clean Energy Development Fund (CEDF) Project Description Sheet for the 2019 Request for Letters of Intent for Bulk Wood Pellet & Dried Chip Supply Infrastructure Grants <small>Note: Instructions for each field are in the Request for Letters of Intent document</small>	
1. Project Title:	
2. Applicant Name, Address, and Contact Information:	
3. Applicant's Related Experience:	
4. Subcontractors or Partnering Company (if known):	
5. Authorized Negotiator(s) (Name and Contact Info. if different from Applicant information):	
6. Proposed Project Location (s) (Site address, town, and county):	
7. Project Description:	
<small>Describe project and how it will increase the availability and/or lower the cost of bulk delivered wood pellets and/or dried chips for heating to customers in Vermont:</small>	
A. List any work/purchases that have been made to date in relation to this project:	
B. List all other funding sources:	
8. Expected Project Start and Completion Dates:	
9. Total Project Costs \$:	
10. CEDF Funds Requested \$:	
11. Signature:	

The above is only to show what the Project Description Sheet looks like. Don't use this page – applicants must use an Excel version (or Excel compatible) available at www.publicservice.vermont.gov/content/funding-opportunities-projects